

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



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Hindenburg's Death Is Blow to Germany

Steadying Influence Exerted by President Will Be Missed When Future Crises Occur

HITLER SEIZES FULL POWER

Calls Election for August 19 to Have People Approve His New Authority

At exactly 11:45 A. M. on August 7 silence fell over every man, woman and child in Germany. Only the slow tolling of bells penetrated the otherwise peaceful and almost leaden atmosphere. For the space of a full minute the stillness endured while the minds of all Germans turned to Tannenberg where the body of President Paul von Hindenburg was being entrusted to its final resting place.

It must have been a sobering moment for those sixty-five million German people. They realized, many of them poignantly, that one of the few—perhaps the last—remaining ties with the past had been broken. Their beloved von Hindenburg, *Der Alte*, the Old One, as he was affectionately called, who for more than nine years had been their father and counselor; whose steadying influence they had come to count upon in times of crisis; who had saved them in war and sustained them in peace, was dead. He alone was powerful enough to curb the wandering spirit of Adolf Hitler. It is true that in recent months he had faded far into the background of German affairs. But the mere knowledge of his presence was always reassuring. It is impossible to escape the conclusion that in losing von Hindenburg, Germany lost a pillar of strength.

Two Views of Hindenburg

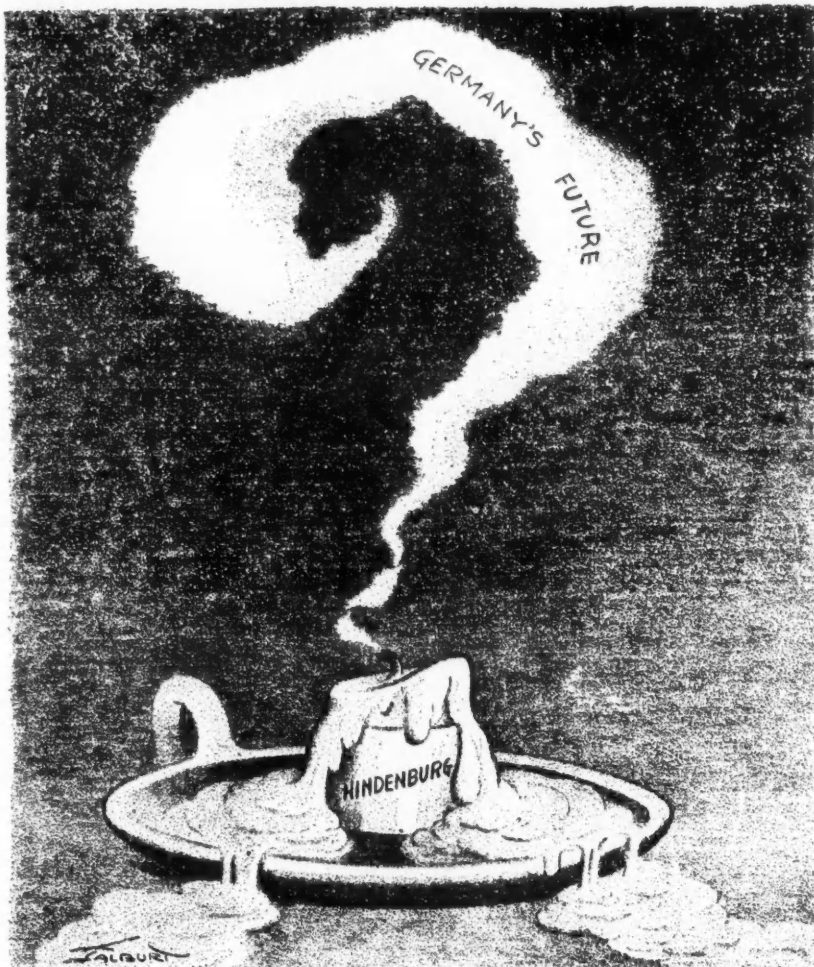
Whether the aged president will go down in history as the great figure he now appears to be is undetermined. Certainly the military hero, whose genius turned back the Russian army at Tannenberg twenty years ago, will be remembered. But as president, was he more of a symbol and legend than an actual and faithful guardian of the interests of the German people? Was he really a great and steadfast leader? There are two opposing views with regard to this, both of which have been brought out in the American press. The *Washington Post* is unstinting in its praise of von Hindenburg:

Whatever the ultimate fate of the country which he served so devotedly, the name and fame of Paul von Hindenburg are safe with the immortals. History, indeed, will probably regard this stern old Prussian in much the same way as it regards the warmer, more lovable, but no more noble character of Robert E. Lee. Both were great leaders of men. Both showed their substance best not when the fight hung in the balance, but when their backs were pressed to the wall by overwhelming odds. Both proved their majesty in failure. And both confronted, and bravely made, such soul-searching decisions as few men are ever called upon to face.

On the other hand, the *New York Post* gives quite another interpretation of von Hindenburg's career:

History will deal none too gently with the old field marshal. He betrayed the republic. He let himself be drawn into an ugly scandal for the sake of an estate in East Prussia. He dismissed first Brüning and then von Schleicher.

(Concluded on page 6)



WHAT NEXT?

—Talburt in *Washington News*

Is There Room at the Top?

It has always been the practice of educators to encourage excellence among young people by dangling material inducements before their eyes. It has frequently been asserted that business success is a reward which almost inevitably comes to those who excel in honesty, industry and thoroughness. When an aspiring youth has expressed discouragement over the apparent meagerness of opportunity for the exercise of his talents he has been assured that "there is always room at the top."

The depression has played havoc with many of our theories as well as our material possessions, and this treasured education adage concerning the assured place of those who effectively play the game in our industrial society appears to be one of the victims. It would be pleasant to believe that only the weak and undeserving suffer from our economic ills; that only the unprepared are wearing out the soles of their shoes looking vainly for employment. Here and there we find wishful thinkers who make themselves believe that such is the case. Those who are honest and well informed know better. They understand that social and economic conditions as well as individual characteristics play a part in determining one's lot in life. They know that in times of stress and industrial disorder the social conditions may constitute a determining influence.

Having made this concession to inexorable fact, we may, however, renew our confidence in the principle that opportunity is likely to knock at the door of the well prepared. Year after year, the old assurance holds good. Even in disordered times like these the most efficient are usually the last to be thrown into the discard. And even today many opportunities beckon to those who can prove their worth. There are employers today who are scanning the horizon for men and women of exceptional talent and training. But such persons are hard to find.

Genuine excellence is, indeed, rare. One reason is that few schools require it. Classes are organized with the average student in mind. He sets the standard. Anyone who meets the test of ordinary performance receives a satisfactory rating. The student who is exceptional in ability stops at a level of mediocrity unless he also is exceptional in vision and will. He may stand in the front rank, but it is a front rank of mediocrity. It would be a good thing if the young man or woman who has confidence in his talents should forget the achievements of his fellows. Let him cease thinking of himself as their competitor. Let him compete against himself, satisfied with nothing except the finest performance of which he is capable. If he wants to measure himself against others, let him read the biographies of great men and women. Then let him compare his efforts with theirs. There is no need to be a fanatic about work. One need not drive himself until he loses capacity for life's simple pleasures. But if there were less complacent dawdling in the schools there would be more downright excellence in the world. And most men and women really qualified for places at the top would find those places open, even in times of industrial disarrangement.

Political Campaign For Fall Organized

Major Parties Line up Forces for Biennial Congressional Elections in November

NEW DEAL THE PRINCIPAL ISSUE

Republicans Assail Administration for Extravagant Expenditures

Within the next month or six weeks, the nation will be in the midst of a political campaign. Voters will go to the polls to elect an entirely new House of Representatives and to name thirty-two senators, one-third of the membership of the upper house. In several states, governors, as well as other state and local officers, will be chosen. The preparatory work for this political battle, less dramatic of course than the quadrennial elections when the presidency is at stake, has already been made. Party chieftains, Democratic and Republican, are now out in the field, surveying the terrain and laying plans for an effective line of attack in the campaign. In less than a month, the first election will be held in the state of Maine which always votes two months earlier than the rest of the country. In a short time all political eyes will turn in that direction in an effort to determine whether the Democratic hurricane of two years has subsided and the Republican cause is once more on the ascendency.

New Deal Test

Unusual attention attaches to the political campaign this year. It will be the first time since the landslide of 1932 that the voters of the country have had the opportunity of endorsing or repudiating the New Deal. Never before in our national history have so many portentous changes been inaugurated in such a brief period of time. From the moment the present administration and the present Congress assumed office, the people have been swept off their feet by acts and policies of an unprecedented nature. Few administrations, if any, have succeeded in capturing the imagination of the people as the present administration has. And yet, there has been no conclusive way of knowing whether the people were solidly in favor of the steps that have been taken along the political front since they gave their overwhelming mandate to Franklin D. Roosevelt and his party two years ago. They will have that chance November 6.

It is because of the magnitude of the issues involved that the congressional elections are extraordinarily significant. In sum, the result of the contest may be regarded as an indication of the nation's confidence or lack of confidence in the present administration and its policies. Should there be a reversal of the 1932 tide, a heavy reversal, it could not realistically be construed as anything but a definite mark of dissatisfaction with the party in power and the recovery program that it has evolved and put into effect. Thus, November 6 may truly be regarded as the day of a national plebiscite on that mass of legislation which has come to be known to the country as the New Deal.

Political soothsayers, that horde of observers who attempt weeks in advance to

(Concluded on page 7)

Notes From the News

Huey Long's Antics in New Orleans; Roosevelt Visits Construction Projects; National Recreation Congress to Meet; New York's Charter Troubles

SENATOR HUEY LONG is again in the limelight. This time, however, it is generally felt that he has carried his "little joke" too far. Through his influence over the governor of the state, he has been responsible for placing New Orleans under "partial martial law" merely because of a political dispute he is having with the mayor of the city, T. Semmes Walmsley. In spite of a court order to remove the troops from the city, the governor refused to do so. Senator Long claimed to have urged the governor to abide by the court's decision, but his critics do not place much credence in this. They point out that the proclamation declaring "partial martial law" was issued by Governor Allen from Senator Long's hotel suite and therefore they believe that the senator is responsible for the governor's refusal to call off the troops. As this is written, Senator Long has been asked to appear in court and give reasons why he should not be cited for contempt of court.

The conflict revolves around the enmity between Senator Long and Mayor Walmsley. Long is attempting to strip the mayor of his power over the New Orleans Police Department. In its last session, the state legislature, dominated by the senator, passed a law to this effect. The mayor, however, declares it unconstitutional. The court must decide this issue.



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HUEY P. LONG

But the dispute that resulted in calling out the troops originated with the deaths of two members of the Board of Assessors of Orleans Parish, Governor Allen, who is pro-Long, promptly appointed two henchmen of the "Kingfish" to the vacancies. City officials contended that the law clearly stated that such vacancies must be filled at a special election. Therefore, Mayor Walmsley refused to permit Governor Allen's appointees to sit. Senator Long then saw to it that a whole new board was appointed. Both boards have set up offices throughout the city. Enemies of the "Kingfish" are accusing him of attempting to gain control of the taxing powers of the city. The climax came when Senator Long had Governor Allen call out about 600 National Guardsmen, some of whom took control of the office of the Registrar of Voters.

Long's enemies hope that his "dictatorial" action of placing a peaceful city under martial law will turn public opinion against him once and for all and that his political stranglehold over the state will be broken.

Roosevelt Looks Ahead

President Roosevelt's visits to the Grand Coulee dam in Washington, the Bonneville dam in Oregon and the Fort Peck dam and reservoir, at the headwaters of the Missouri River, elicited from him the highest hopes for the future welfare of these areas. He said that the Northwest will soon be a haven for persons seeking a better living and better opportunities of life. "I regard, and have regarded, the Columbia River as one of the greatest assets not only of the Northwest, but of the whole United States," he said.

Speaking of congested parts of the country and of other areas of depleted fertility, he declared that "we should make room for crowded families. Out here you've not only got space—you've got space that can be used by human beings. A land already peopled by Americans who know whither America is bound. People who are thinking about advantages for mankind. Good education, some play, and above all a chance for the people to live their own lives without wondering what is going to happen tomorrow. Security for old age . . . security to earn your own living."

The \$31,000,000 Bonneville dam, which the president visited, is being constructed for power and navigation purposes. The Grand Coulee dam will be the largest on

earth. It will cost \$63,000,000. These two dams together are expected to result in the production of cheap electric power for thousands of families in the Columbia River Basin. They will control floods, and by supplying water for irrigation purposes, more than a million arid acres in that region are expected to be reclaimed.

The Fork Peck dam and reservoir, at the headwaters of the Missouri River, are designed to produce a minimum nine-foot depth and an even flow at all times in both the Missouri River and the lower Mississippi. Moreover, it is expected to restore millions of acres of land along these rivers which annually are washed out by the spring floods.

All these power, irrigation and navigation projects are being financed by the Public Works Administration. President Roosevelt believes they will pay for themselves many times over. "We are going to make the people of the United States dam conscious," he said.

Strides in Air Transport

Three important aviation events occurred last week. All existing world's records for transport seaplane flight (previously held abroad) were broken by the giant Sikorsky flying boat, *Brazilian Clipper*. With the equivalent of its full passenger load of thirty-two, a crew of five and 2,000 pounds of cargo, this monoplane covered 1,242 miles of a measured course at an average speed of 157.5 miles an hour, having a large margin of fuel left at the end of the flight. Colonel Lindbergh, who was in charge of the trial flight for Pan-American Airways, is satisfied that planes of this type have reached a point of development where all ocean trade routes by way of available islands are practicable for large loads of mail.

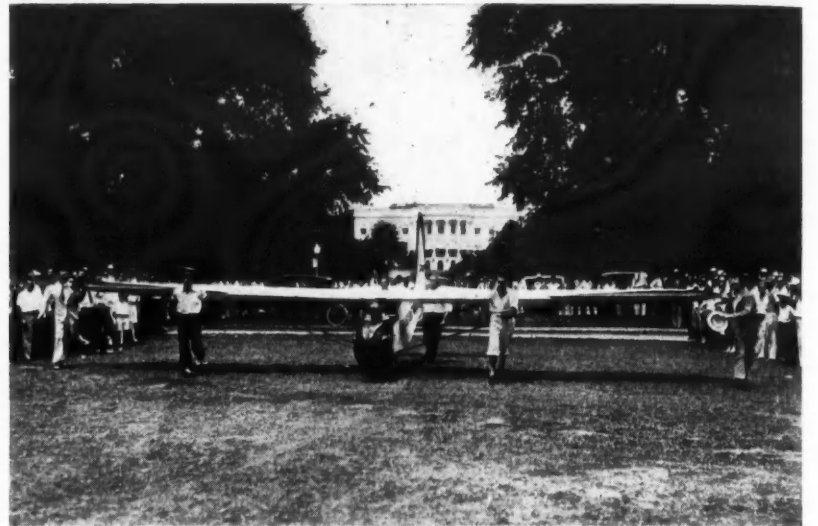
Another important development last week was the inception of overnight air service between the nation's coasts on the "Lindbergh Line." Planes leaving the Newark Airport at 5:25 p. m. Eastern daylight time are due in Los Angeles at 7 a. m. the next morning.

Lastly, a successful glider experiment was accomplished on the East Coast. An airplane pulling three gliders filled with mail, took off from the Newark Airport. It dropped one glider off at Philadelphia, one at Baltimore and the third at Washington. A pilot in each glider landed his cargo of mail safely. This test flight proved the time-saving role of gliders as mail carriers.

The aviation industry in this country, far from lagging, is making great strides. It is only in its infancy when its potentialities are considered.

National Recreation Congress

The Recreation Congress to be held in the nation's capital during the first week of October will be particularly timely. There is unusual attention being paid to the problem of recreation owing to the in-



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GLIDER TRAIN TRAVELS FROM NEW YORK TO WASHINGTON

The last of three gliders attached to the train lands with mail back of the White House.

creased leisure of millions of people—leisure which has been brought about partly through the reduction of working hours but largely through unemployment. There is an ever-growing need for recreational facilities and for training in ways of spending leisure time in order to derive the greatest amount of happiness and benefit. Unfortunately, despite this increased demand for mental and physical diversion and guidance, a large number of communities are being compelled, on account of financial difficulties, to make economies in this field. They are cutting down on recreational facilities and laying off playground supervisors and other kindred workers. The coming national conference on community recreation will offer an opportunity to laymen and public officials to discuss their problems and to plan together how to meet the double challenge which increased leisure and need for municipal economy present. Here are some of the questions to be discussed:

(1) What special service can the recreation movement render to youth just graduating from high school and college who are unable to find employment? (2) What are the gains, if any, in having special lay boards or commissions in city government charged with responsibility for working on the special problems of schools, parks, recreation? (3) What college and university courses are desirable for men and women who after college training are immediately to become play and recreation leaders? (4) What are schools doing to prepare children for abundant living and give them abundant life now? (5) What are parks doing for abundant living? (6) Is it desirable that the recreation movement in the United States further special types of recreation which require less leadership and organization? How can this be done? What are the activities for adults which practically run themselves? (7) Changes that need to be made in recreation during the present emergency period—changes in program, method and in content. (8) What can be done to secure a better understanding of the national and local recreation movement? (9) If I had full power to represent the people of the city in which I live and a measure of finan-

cial freedom in helping them toward abundant living, what would I do? (10) What men and women want to do in their free time.

Discord in New York

New York City is having considerable difficulty in having its charter revised. The state legislature set up a Charter Revision Commission some time ago, headed by Alfred E. Smith. However, Mr. Smith and five other members, including Samuel Seabury, vice chairman of the committee, resigned last week. It became apparent early in the summer, Smith declared over the radio after his resignation, that "a majority of the members did not want any genuine city charter revision at all." He blamed the state legislature for naming "obstructionists" to the commission.



© Wide World
SAMUEL SEABURY

"The people I couldn't get along with," he said, "were the stowaways who were put on board with monkey wrenches to throw into the machinery and scuttle the ship."

In criticizing the old charter, Mr. Smith said: "We do not have properly centralized administration. . . . Before automobiles, rapid transit and telephones were perfected and universally used, the argument against centralization was valid. Today this argument has lost its force. Those who think that borough government (New York City has five boroughs) is still serviceable should also advocate going back to horse cars with straw in them to keep the passengers' feet warm."

Even though resigning, Smith and Seabury will continue their efforts toward charter revision. Both of them gave radio addresses on this subject last week.

There is a movement under way to get Samuel Seabury to run for the governorship of New York on the Republican ticket. Although he would be a much more progressive candidate than the Republican leaders would like, many of them feel that his candidacy might strengthen the Republican party in New York State.

Minneapolis Strike Situation

On August 5 Governor Floyd B. Olson issued an order stopping all trucks in Minneapolis save those bearing "ice, milk and kindred commodities." The governor decided to take this drastic action when employers announced their determination not to abide by the strike settlement plan offered by the two federal mediators, Father Francis J. Haas and E. H. Dunnigan. The truck drivers' union was pleased with the governor's order. The members of this union had been attempting to prevent the trucks from doing business.

There are about 5,000 trucks in Minneapolis used for general goods transport. Ordinarily each moves on the average of three loads daily, making 15,000 truck movements in all. It is apparent, therefore, that trucks carry on a considerable business in this northern city. At the present time, though, there are just a handful in operation. Those idle cannot engage in commercial traffic without getting military permits—permits which will be withheld until employers show a willingness to compromise.



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THE PRESIDENT'S MOTHER IS HONORED IN PARIS
Mrs. James Roosevelt (second from left) was guest of honor at a dinner at the American Women's Club in Paris recently. She made one of her rare public speeches.

AROUND THE WORLD

Japan: Government officials in Japan and in the United States have recently been issuing statements with regard to the forthcoming naval conference. It cannot be said, however, that the declarations have disposed of any problems or improved relations between the two countries. In an interview with foreign press representatives Japan's new premier, Admiral Keisuke Okada, announced that Japan was opposed to the ratio principle as contained in the existing Washington and London treaties. (The Washington treaty, for example, apportioned capital or battleships on the basis of five tons for the United States and Great Britain to three tons for Japan, establishing a 5:5:3 ratio.) The admiral maintained that the ratio principle "must hurt the self-respect of nations." He held that reduction of naval armaments must be made by the most heavily armed nations. He did not indicate, however, that Japan would seek complete parity with the United States and Great Britain, calling this too radical a change to come suddenly. In other words Japan apparently wants equality but not necessarily parity. By equality she seems to mean some sort of an agreement which would not have the appearance of placing her in an inferior position but at the same time would not give her a navy as powerful as those of the United States and Great Britain. But she has not proposed any method by which such a happy state of affairs could be attained.

In contrast to the cautious statements of the Japanese premier, Secretary of the Navy Swanson came forth with a blunt suggestion that all the nations reduce their navies by twenty per cent in every category of ships. Mr. Swanson said he was opposed to any change in the ratio system and that no reduction of our naval forces could be considered while Japan retained her present strength. The American secretary's proposal naturally met with an immediate unfavorable reaction in Japan. It was pointed out that reduction could not be accepted on such a basis as it would reduce Japan's comparative sea power.

Great Britain: The British added fuel to the naval conference fire on August 4, when Admiral Beatty, commander of the fleet, called upon the government to throw off "the shackles of international agreements" and build a navy able to meet the needs of the empire. He expressed grave doubts that the present navy was large enough to perform the services required of it in the event of emergency. The admiral's wishes are not likely to be followed but his declarations will help to build sentiment against any concessions on the part of the British. Indeed, His Majesty's government is clearly anxious to strengthen its naval forces.

All in all, the prospects for the 1935 conference continue to grow dimmer. It is reported now that France, which is a signatory to the Washington treaty, is ready to join with Japan in announcing the abrogation of that treaty before the end of this year. Two years' notice is required. If either Japan or France, or both, make such a declaration in the near future the Washington and London treaties will both come to an end on December 31, 1936, as the latter agreement automatically terminates at that time.

China: The Japanese are expecting a renewal of civil war in China in the next few months and are uneasy over the effects it may have on them. It is said that they are seriously considering receding from the position established by their recent

"hands off China" policy, and would like to join with the nations interested in China in some sort of a coöperative policing agreement designed to prevent China from falling into chaos.

Civil war, as Japan interprets it, would mean an intensification of the Chinese boycott against Japanese goods. One of the principal reasons for the animosity of various provinces toward General Chiang

who has been residing in Belgium, enough support can be mustered from the people to prevent Austria from going Nazi.

Speculation of this kind increased when it was learned that Otto had left Belgium to go to Italy. It was reported that the twenty-one-year-old aspirant to the Austrian throne would seek the hand of King Victor Emmanuel's youngest daughter, Princess Maria. Such a marriage has often

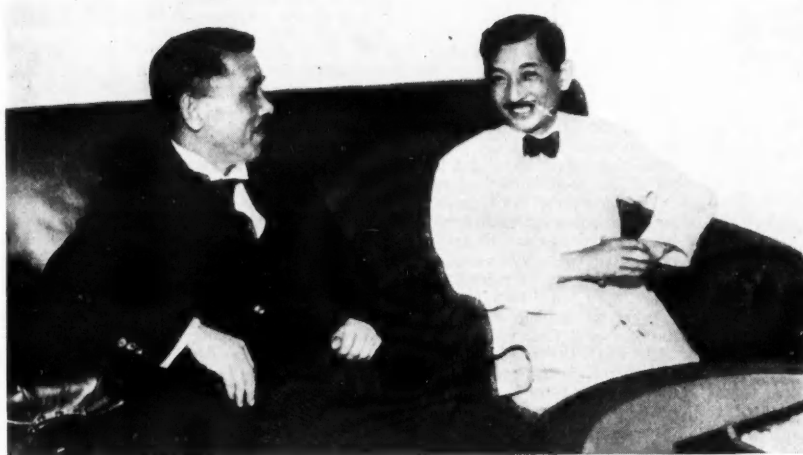
possibility of restoration. The opposition of the Little Entente, particularly Czechoslovakia, must be overcome. These nations which have territory belonging to the former Austro-Hungarian empire fear the possible consequences of restoration. If the great powers decide in favor of the step, of course, the Little Entente will have to consent, but it seems certain that great bitterness will be engendered on the continent.

The Schuschnigg government has finally decided to accept Franz von Papen as envoy from Germany. Germany announced the appointment just after the assassination of Chancellor Dollfuss, but Austria hesitated to receive the Nazi vice-chancellor. The Austrians knew that von Papen had a record for intrigue. He had been largely responsible for maneuvering Hitler into power in Germany and there was apprehension lest he accomplish some similar stroke in Austria. But it is not easy to refuse an emissary from another country without creating an embarrassing situation. So Austria has accepted von Papen, hoping that he will really "restore normal relations" between that country and Germany, in accordance with Hitler's promise.

Algeria: The city of Constantine, third largest in the French possession of Algeria, was the scene of bitter and bloody clashes between the Jewish and Arab elements last week. At least a hundred persons were killed in the fray and three times as many wounded. The whole city was besieged and whole sections of it were destroyed by fire. Although less violent than this latest episode and exacting a smaller toll of lives, disorders of this type are not uncommon in Algeria. Clashes between the Arabs and Jews have been plentiful in the past. Anti-Semitic feeling here, as in other parts of the world where the two races live side by side, has been one of the principal sources of worry to those in charge of political administration.

The upheaval in the city which bears the name of the great Roman emperor was caused by a relatively minor incident. A drunken Jewish soldier, it is reported, entered a mosque of the Arabs during the Moslems' evening prayer. He began cursing and defaming the assembled Mohammedans, exciting their indignation and moving them to violence. Having disposed of the desecrator in quick order, the infuriated Arabs swept through the city, gathering followers on the way, and entered the Jewish quarter where their work of destruction began. All night long the battle raged. French police and military forces from nearby towns were rushed to the scene in order to restore peace and the governor general of the colony flew back from Paris to cope with the uprising.

Cuba: Evidence that arms and ammunition are constantly being smuggled into Cuba by enemies of the Mendieta régime is causing authorities in Havana many uneasy moments. Recently three Americans were arrested, charged with smuggling, and ordered deported to the United States. Officials claim to have discovered a conspiracy in which these Americans were implicated, although proof of their guilt was not made public. The Americans are all business men and have emphatically denied all charges. This particular incident is probably not important, except inasmuch as it reveals the anxiety of the Mendieta government over reported smuggling activities. Opposition to Mendieta has not abated, and many think that another period of turmoil is in the making.



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DISCUSS JAPANESE-AMERICAN RELATIONS
Foreign Minister Koki Hirota (left) listens with interest to the report of Ambassador Hiroshi Saito who returned to Japan to give his government a first hand account of the American attitude toward Far East problems.

Kai-shek's Nanking government is that it is "too friendly toward Japan." These opposing political groups, who draw their strength from the south of China, are at present disunited. But there is a prospect of their combining to oppose Nanking. Japan wants to avoid such a turn of events, but is apparently conscious that she cannot do so alone. The moment she steps into China she is accused of imperialistic designs and she also increases the fury of the Chinese. She is beginning to think,

been talked about and now it may be consummated. It is believed, of course, that political considerations will play a large part in arrangements for the match. Otto may seek assurance that efforts will be made to restore him to the throne.

Just how far Italy would be willing to go in this matter is a question. Mussolini has been committed against a Hapsburg restoration, but it is said that his attitude is undergoing a change. He is now inclined to think that it might be a wise



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BELGIAN AMBASSADOR DIES IN NATION'S CAPITAL
Paul May, popular ambassador from Belgium who died recently after a brief illness, is temporarily interred in Arlington cemetery, pending completion of arrangements for shipping the body to Belgium.

therefore, that her policy of going it alone in China has its drawbacks.

Austria: Persistent rumors keep coming from Europe to the effect that it will not be long before the Hapsburgs are returned to power in Austria. This ruling family, which was driven out after the war, does not enjoy the favor of the other nations of Europe, but there are signs that restoration is being considered as a lesser evil than union of Austria with Germany. The present Schuschnigg government is admittedly only temporary and hardly strong enough to cope with the difficulties lying ahead of Austria. Many believe that by restoring the monarchy under Archduke Otto of Hapsburg, pretender to the throne

move in order to strengthen the Austrian government. France seems a bit more dubious about the matter. She might consent to restoration if she were certain that Austria in the hands of the Hapsburgs would offer an effective and continuous block to German aims in central Europe. But some see a danger that in years to come Germany and Austria might be drawn together again. And perhaps Hungary would be added to such a combination. Otto is also a claimant to the Hungarian throne and it is safe to say that if he reaches power in Austria he will bend every energy to reviving the old Austro-Hungarian empire.

Many difficult questions will have to be settled, therefore, before there can be any

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A. F. OF L. MEETS

The American Federation of Labor executive committee met in Atlantic City a few days ago to formulate a program to submit to the October national convention. The committee was confronted with the most important problems in the history of the organization. It realizes that an aggressive and growing rank and file movement within organized labor is rebellious against its leadership. The rank and filers feel that employers have denied them the privileges they were given under Section 7-a of the NRA, and they feel that the conservative leadership of the A. F. of L. has not been forceful enough in obtaining justice for the workers.

Consequently, some of the decisions which must be made by the executive committee promise to make labor history. One of these pertains to labor organization. It must decide whether to insist on maintaining the traditional craft unions instead of industrial unions. The A. F. of L. has long represented the aristocracy of labor. Its unions have been composed mainly of skilled workers. They have organized by crafts. The bricklayers have their union, the carpenters theirs, the plasterers theirs, and so on. But there is a rising demand to cut through the craft lines and organize by industries, that is, having all the workers of an industry, regardless of their special lines of work, organize into one union. It is felt by many labor leaders that the craft type of union is not practicable in an era of mass production, when the problems of one worker are the problems of all. They point out that a large percentage of workers in the country are unskilled and are often unable to join craft unions. It is their belief that before a strong labor movement can be developed, all workers, regardless of their lines of work, should be brought together into industrial unions. They accuse the present leaders of the A. F. of L. of wanting to keep out unskilled laborers.

In addition to making a decision on this important question, the A. F. of L. executive committee must consider whether to keep on pressing for the thirty-hour week or to ask another sort of help for the 10,000,000 people still unemployed, and whether to move toward the left, or to try to bring the radicals into line, or to drive them out and let them form independent unions. The country will await these decisions with more than ordinary interest.

The Red Menace

There is considerable agitation on the part of conservatives to deport or take other severe measures against foreigners who participate in capital-labor conflicts. When-



1934 DEBT REPARTEE

—Jensen in Salt Lake Deseret News

ever workers go on strike, one hears the cry raised that the strikers are being led by Communists. It is the opinion of the *Detroit News*, however, that the possibility of a Red Menace in this country is remote, to say the least, and that those who throw out such a scare, do so merely for selfish reasons:

In several parts of the United States people are getting stirred up over the Red Menace. If a strike occurs, they attribute it to the Reds, who have gained control of the union in question. If the strike leads to violence, that proves it was fomented by Reds. If a Brain Truster makes a speech which does not line up with some conservative's views, the orator is a Red. There are those who say the Reds are in command of the government in Washington.

It is further charged that the Reds in this country are in the pay of Soviet Russia, or at least of the Third International. Here, however, a line is sometimes drawn. If a Red is important enough to become a Brain Truster, it is assumed that he is not getting Russian money. But if he is a strike leader he must, of course, be getting a salary from Moscow.

San Francisco is now certain that its recent labor troubles were the work of Reds. This happens to be good politics from more than one point of view. Organized labor has long been troubled because existing unions, especially those of the American Federation of Labor, have been sapped by Communists whose argument is that the demands of the unions for better conditions do not go far enough and have not met with sufficient success, and that the way to obtain boons for the workers is to organize on more radical lines. The conservative labor leaders in San Francisco opposed the general strike, and were outvoted. Then, as public opinion turned against the strike, the enthusiasts got cold feet and returned to the fold. Naturally, the leaders wanted to divert wrath from their own men, and therefore they joined the cry that the strikes were fomented and led by Communists.

We, however, must inquire for more evidence. Did the strikers demand a new form of government, based on Soviet lines? Did they say that they were taking the first steps in a revolution to sweep away our Republic, and erect a Communist state on its ruins? If they did, there was bad reporting, for we heard nothing of such aims.

What we need in this country is a strict definition of Communism and Red. If a Red is someone who does not agree with what the president of the San Francisco Chamber of Commerce, or Colonel Robert R. McCormack believes, then the United States is probably full of them. If, on the other hand, a Red or a Communist is one who believes in overthrowing the Constitution and turning the government over to a committee of commissars, who will run it in the interests of one class of people, then, in our opinion, the Red Menace of which we hear so much is merely a scarecrow, set up to intimidate fools.

Modern Trains

The increased volume of business of railroads which have modernized their trains should stimulate confidence in the future of rail transportation, asserts the *Atlanta Constitution*:

Announcement of the Gulf, Mobile and Northern Railroad that two stream-lined, Diesel-powered and air-conditioned trains now being constructed will be operated over its tracks from Mobile to Jackson, Tennessee, is undoubtedly the forerunner of similar announcements from other railroads traversing this section.

The impressive reception given by the traveling public to the new and modern type of trains is convincing evidence that in the faster and more comfortable method of rail travel they afford, lies the way out of the troubles of the railroads.

This is emphasized by the experience of the railroads operating north and south express trains through this section. For the past six months the roads that have installed air-conditioned coaches on their trains have had their cars filled to capacity, while those which have not installed the new air-conditioned cars have had less business than during even the worst period of the depression.

The experience of the railroads during the comparatively few months that air-conditioned cars have been in use has proved that the patronage lost during the past ten years to other forms of transport can be regained with the adoption of modern rail equipment.

How Check Bootlegging?

Prohibition repeal was widely heralded as the death blow to bootlegging. The underworld would no longer be able to finance its unlawful operations through the illicit traffic of liquor, it was long argued, if prohibition was repealed. Unfortunately, bootlegging still flourishes on an extensive scale. The *Washington News* believes that it will continue to thrive as long as the legal product is taxed so highly:

Liquor tax receipts are disappointing to government revenue officials, who lay the blame upon bootleggers.

A new rum row is forming off the North Atlantic coast, and there is talk of enlarging the Coast Guard.

In "dry" Florida, some local police keep liquor smugglers warned of whereabouts of federal agents.

These bits of news tell the trend in America since prohibition repeal. It is not encouraging. The American people hoped the end of prohibition would mean the end of bootlegging. They could not foresee that a short-sighted government would continue a tariff and levy a tax that would add to the profit incentive of bootlegging. The bootlegger pays no license fee and he saves the tax of \$2 on every gallon of liquor he sells. That is a margin large enough to discourage most any bootlegger from becoming a law-abiding citizen.

And there is an additional \$5 tariff saved on every gallon brought in from outside the country. Hence the continuance of rum row. And hence the talk of a bigger Coast Guard.

Shifts in Population

All indications point to a slowing down of our population until it becomes stationary fifteen or twenty years hence. An even more rapid decline in population is anticipated for England. A prominent English professor predicts that the number of inhabitants of Great Britain will decline from its present level of 42,767,530 to 33,000,000 by the year 1976. He says the young will be outnumbered by the old, and the old will, in turn, com-



WE WANT THIS LAFAYETTE PERSON TO GET THIS STRAIGHT

—From the Columbus DISPATCH

prise more women than men. The *New York Times* points out some of the changes which will probably accompany declining populations:

Strange consequences flow from a changing age-average. If older people are to be in the ascendant it will be more profitable for department stores to stock comforters and golf clubs than baby carriages and infants' wear. There will be no need of an NRA to control production. With consumers deliberately curtailing their own numbers, there can be no thought of ever-expanding markets. No longer will cities burst their bounds to engulf outlying farms subdivided into building lots. The rising tide of older women may influence architectural styles, interiors, even such things as trolley cars and subway trains. A woman president of the United States and a Congress composed largely of women are not impossibilities.

A Challenge to the Movies

The *Christian Science Monitor* discusses two possible courses open to motion picture producers, and gives its opinion as to which course holds forth the most promising future for this industry:

With the recent attacks on motion-picture morals still ringing in their ears, the producers, probably recovering from their first alarms, are pondering the next move. Public, critics and local distributors are awaiting with some eagerness the results of the campaign—results which will not be felt until next November.

The most fantastic of all industries is getting a real opportunity to clean house, forsake its conventional rut and write a new page in the history of the motion-picture. After years of slipshod censorship and vast numbers of second-rate films, the Hollywood moguls may seize the club that has been handed them by the militant church leaders to bring about a film revolution.

There are two possibilities in view: an avalanche of sugar-sweet, spineless pictures combining all the worst qualities of the more winsome films, or the concentration on serious and worth-while material in an earnest attempt to improve this medium as an art. The first possibility would inevitably lead to falling box-office receipts after the first saccharine wave rolled over. In this case, the producers would shake their heads and declare that their patrons demanded more "sophisticated" fare. The cycle having run its course, church officials would begin another five years devoted to arousing public indignation.

But if the second possibility is considered, the hope for improvement, not only morally but artistically, may be rewarded. Such pictures as "The Covered Wagon," "Cavalcade" and "Little Women" have definitely proved the artistic ability of certain motion-picture directors. And the general excellence of the photography today cannot be denied. By curtailing the enormous excess of second-rate films, the industry could afford more money and talent for really worth-while entertainment.

After their initial battle cries, the socially minded citizens who have led the attack on the film industry await the results of their campaign. Will the producers meet the objections with a type of motion picture which will increase the moral and artistic prestige of the cinema art? The way has been opened. And if the challenge is met in an intelligent manner, this two-billion-dollar industry may find its tattered sock and buskin somewhat mended spiritually and materially a year from today.

The European situation is now packed with pacts.

—Nashville TENNESSEAN

Old-line Republicans do not take kindly to the intimidation that rugged individualism produced too many ragged individuals.

—Winston-Salem JOURNAL

English greens fanciers shipped 18,000,000 heads of broccoli this spring. If they try to pay us that way, let's forget the debt.

—Philadelphia INQUIRER

The English have been displaying an annoying ability to win their own sports tournaments. What's become of the good old British idea of playing the game for the game's sake only?

—Omaha WORLD-HERALD

In Pennsylvania a policeman was bitten by a dog. This seems an effective way to put teeth in the law.

—Norfolk LEDGER-DISPATCH

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.

China and P'u-Yi

"Twilight in the Forbidden City," by Sir Reginald Johnston. New York: D. Appleton-Century Company. \$5.

IN VIEW of his official position at the Manchu court at Peking as tutor to the emperor Hsüan-T'ung, known to the western world as P'u-Yi, present puppet ruler of Manchuria, Sir Reginald Johnston is perhaps better qualified than any living occidental to tell of the eclipse of the Manchu dynasty in China. Sir Reginald knew the boy emperor intimately from the time of his appointment as imperial tutor in 1919 until P'u-Yi's departure from Tientsin for Manchuria late in 1931, after the capture of Mukden by the Japanese. He was more than a tutor; he was confidential adviser to the emperor. It was Sir Reginald who personally conducted P'u-Yi into the legation quarter of Peking in November, 1924, when civil war threatened his majesty's safety and life.

Much of Chinese history of the last two decades that has remained cloudy or incomprehensible is cleared up by Mr. Johnston in this extraordinary book. He does not begin his story with the accession of the three-year-old P'u-Yi to the Dragon Throne of the Manchus in 1909. He goes back into Chinese history, giving the essential details of the rule of that dynasty which had governed China for almost 300 years. Conditions leading up to the revolution of 1911, conditions prevailing during the "twilight period" of the Manchu reign, are treated fully, so that the reader is better able to understand the significance of developments of our own day. Unforgettable is his section on the famous dowager-empress, T'zu-Hsi, one of the most controversial figures of all history.

After the emperor's abdication from the throne in the Forbidden City in 1912, he held probably the most anomalous position a monarch has ever occupied. By the terms of the "Articles of Favorable Treatment," the compact concluded with the revolutionaries in 1912 by which China became a republic, the emperor was allowed to retain his title, his court with all the trappings, but he was shorn of all political power. From that time on, P'u-Yi, or Hsüan-T'ung as he was officially known, was emperor in name only. In 1924, the Articles of Favorable Treatment were unilaterally revoked by the republic, and P'u-Yi became an ordinary Chinese citizen.

Mr. Johnston's years as tutor to the emperor were as eventful as they were colorful. The relationship between the two was more than that of teacher and pupil. Sir Reginald did not content himself with teaching the scion of the Manchus the intricacies of the English language. It was he, more than any other, who introduced the boy emperor to the new schools of political and literary thought which were at that time making themselves so strongly felt in Chinese life. Thus, although P'u-Yi was cooped up in the palaces and in the Forbidden City, he was nevertheless familiar with what was going on in China, as well as the rest of the world.

Throughout this book, there is an overtone of bitterness against the republic. It is apparent that Sir Reginald has no

love for the men who have ruled China's destinies during the last twenty years. Sun Yat-sen, and others among the revolutionary leaders, are anathema to him. Not that he condones the malpractices indulged in by the former rulers. He is frank in admitting that much connected with the court was rotten to the core. But he believes that, with proper reforms, the Manchu dynasty could have spared China the pitiful and tragic years through which it has passed.

"Twilight in the Forbidden City" is an extremely honest book. It displays unusual scholarship and a thoroughness found only too seldom in works of this type. It left with this reviewer a clearer picture of Chinese history and civilization than anything he has yet read, and at the same time afforded entertainment of the highest and most lasting kind.

Development of NRA

"Government Rules Industry," by Michael F. Gallagher. New York: Oxford University Press. \$2.

PERHAPS the most valuable contribution of this study of the NRA is the clear-cut definition of the constitutional issues involved in the recovery program. The author, a prominent lawyer and an authority on constitutional law, devotes a good part of his book to the commerce and due-process-of-law clauses of the Constitution under which Congress presumably acted in creating the NRA. If the legality of the recovery act should be questioned before the Supreme Court, as it undoubtedly will be during the next session of that tribunal, it will be well to know the precise nature of the issues involved, and Mr. Gallagher's presentation of those issues is impartial and complete.

Important as this book is in discussing the development of the NRA from the time of its inception to the present, it is rather weak in its conclusions. Not that one can take issue with the author on some of the charges which he makes against the administration of the recovery act. His objections are, if not wholly justifiable, at least debatable. But when he comes to making suggestions for a government policy with regard to industry after the expiration of the recovery act, he starts from what many will consider a false premise. The intent of the new law, he says, "should be to protect and safeguard the fullest measure of individual freedom consistent with public welfare and social justice." A laudable objective, to be sure, but in order to attain it, Mr. Gallagher would have the government assume less



P'U-YI AND RABINDRANATH TAGORE, THE INDIAN POET, IN THE FORBIDDEN CITY

(Illustration from "Twilight in the Forbidden City")

control than it is authorized to exert under the NRA. His plan would be something similar to the many schemes for self-regulation that have been proposed during the last year or so, with the government acting more or less in an advisory capacity. The basis upon which any such plan might work would of necessity have to be the disinterestedness of private industrial leaders, and there is nothing in the events of the last few years, even since the organization of the NRA, to indicate that private business has the public good so genuinely at heart.

Labrador

"The Romance of Labrador," by Sir Wilfred Grenfell. New York: The Macmillan Company. \$4.

"THE country is not a northerly one; none of it is north of Scotland. . . . The days and nights are no longer than in the British Isles. The snow during seven months, reflecting the brilliant sunlight, makes it so warm that the fishermen are as brown as Eskimo." Sir Wilfred's description of Labrador, the reputed "land which God gave to Cain," will surprise those of us who have always associated this particular section of Canada with the barren wastes of the arctic.

Sir Wilfred, as physician and missionary, has spent about forty years in Labrador and during that time has acquired a large store of information concerning the region. The country has a fascination for him. "No reason has ever been shown," he says, "why the Vikings would want to fare any further than our beautiful wooded bays, with their endless berries, salmon, furs and game." And again we read that

"untouched in the thousands of square miles of Labrador terrain, as well as in her waters, lie vast treasures yet to be wrested from her for the benefit of the world."

The book contains a complete description of Labrador, its geology, inhabitants—Eskimo, Indians and Anglo-Saxons—its resources and history. Gifted with a sense of humor and an ability to write interestingly the author presents an engaging picture of this land which is so little known to other peoples.

Napoleon

"The Hundred Days," by Philip Guedalla. New York: G. P. Putnam's Sons. \$1.75.

WHILE the diplomats of Europe were winding up their affairs at Vienna after the Napoleonic Wars, and Louis XVIII, brother of the decapitated king of the French Revolution, was boring the court at Paris with his inane puns, the Corsican Napoleon was steadily nearing the shores of France from Elba to take the country by storm. It is the story of the hundred days of the Second Empire, when all Europe was agog, that Mr. Guedalla reconstructs in these pages. It is a fascinating story, and no matter how often one may have read it before, it cannot fail to be appealing.

Mr. Guedalla has the rare ability to render alive and dramatic historical events. What in the hands of most writers is abstraction and impersonal narrative becomes with him human and concrete. Even military strategy, the boggy of so many high school students as they wade through page after page of war tactics, is translated into terms understandable and interesting to the layman. Thus, Waterloo is re-acted in such a way as to leave an indelible picture of the drama as it unfolded itself. It is this simplicity which makes Mr. Guedalla's work outstanding in the field of historical literature.



The role of San Francisco newspapers in smashing the recent general strike is brought out in an article in *Editor and Publisher* for July 28, signed by Earle Burke. He describes how the publishers, or their representatives, came together and decided upon a concerted campaign of propaganda. They attempted to mobilize public opinion against the strike. Mr. Burke says, by accusing Reds of inciting it. Next the publishers proceeded to "crush the revolt" by driving a wedge between conservative and radical union leaders. "Newspaper editorials built up the strength and influence of the conservative leaders and aided in splitting conservative leadership away from the radical." Mr. Burke eulogizes the action, but the *New Republic* condemns the publishers for "lying ruthlessly and repeatedly in the endeavor to fan the flames of hostile public opinion."



SAEGLEIK FJORD, AN OLD ICE CHANNEL IN LABRADOR

(Illustration from "The Romance of Labrador")

Germany's Future Grows More Clouded

(Concluded from page 1, column 1)

cher when they threatened to expose the thievery and curtail the subsidies of his Junker neighbors. He let himself become the tool of a plotting little cabal led by his son. Yet, even in his last feeble years, with a mind growing ever more clouded, von Hindenburg was a man, a symbol, the last link between the old Germany and the new.

The right verdict will be rendered by historians in the future. Just now we are more concerned with the immediate fate of Germany, left in the hands of her Nazi Führer, Adolf Hitler. No sooner had von Hindenburg died than Hitler proceeded energetically to join the office of president to his own. The cabinet passed a law transferring over to the chancellor the powers which had been exercised by the president. It declared that Hitler should be sole ruler and that he should appoint his own successor. An election was called for August 19 to ratify this decision. Doubtless it will be ratified.

Hitler has made known his wish not to be addressed as president. In a statement to Minister of the Interior Dr. Wilhelm Frick, he declared that the title had become uniquely associated with the personality of von Hindenburg, and that he desired only to be addressed as Der Führer, the leader, or Reichskanzler, Reich chancellor. Hence, the title of president no longer exists in the German political vocabulary.

The Reichswehr

Naturally, the passing of von Hindenburg from the scene has given impetus to discussion with regard to the possible restoration of monarchy to Germany. There has long been strong sentiment for such a step on the part of a great many people, and notably among the military men in Germany. Hindenburg himself was a monarchist, and the Reichswehr, the small but powerful German army, which took orders only from the president, also favors monarchy.

In fact there was some apprehension lest the Reichswehr, loyal to the traditions of its chief, should refuse to transfer its support to Hitler after the death of von Hindenburg. Had the army assumed an attitude of opposition toward the chancellor, Hitler would have found himself in an extremely difficult position. Ever since the purging of June 30, the Storm Troops have ceased to be an effective power at the service of the government, and the Reichswehr has been looked upon as the strongest element in the country. It could have destroyed the Hitler régime if it chose, or could have forced Hitler to restore the monarchy.

But the Reichswehr, under the leadership of General von Blomberg, minister of defense in the Nazi cabinet, elected to go along with Hitler. The members of the army swore a solemn oath to give the same allegiance to Hitler which they had given to von Hindenburg. Hitler, therefore, emerged stronger than ever before. By the will of the Reichswehr he becomes complete and absolute dictator of the German people.

It is not known whether the Reichswehr leaders placed any conditions upon their decision to support Hitler. It is believed, however, that they made it clear that the chancellor should remain conservative in his policies and should not listen to the more radical of his followers who wish to see the socialistic promises which Hitler made early in his career carried out. It is an indication that Hitler will steer his course from now on to the right and not to the left.

Dr. Schacht

Further proof of this was seen in an announcement which was made on the same day that Hitler assumed the powers of president, but which was obscured by the more dramatic news of the moment. The last official act of President von Hindenburg was to approve the appointment of

Dr. Hjalmar Schacht as minister of economics for six months to replace Dr. Kurt Schmitt, whose illness had made his continuation in office impossible.

Dr. Schacht was already president of the Reichsbank and financial dictator of Germany. Now, by adding to his functions the duties of Dr. Kurt Schmitt, he enters the cabinet and becomes Germany's economic dictator. Dr. Schmitt had been given complete power to deal with the economic situation in Germany as he saw fit. He was conservative, although he favored devaluation of the mark to revive Germany's export trade and ease her debt burden. Dr. Schacht is more conservative

thirty-five years he has forged ahead in utter disregard of moral and ethical codes. . . . He fancies himself the economic Napoleon of the Third Reich, and visualizes a self-contained economic power, stretching from the Baltic to the Adriatic, and far into the Balkans. Schacht has been strongly influenced by Spengler and believes that only the "strong economic unit" of Middle Europe, of which Germany is the natural center, can withstand the economic competition of the Far East.

. . . To Schacht collaboration with the Nazi government, like all other political associations, is a means to an end. During 1929 he began toying with the idea of becoming a candidate for the presidency of the Reich. The Democratic party of which he was a member had dwindled away and was no longer powerful enough to help him obtain a nomination. About the same time the rapid radicalization of the German masses as well as the spiritual

that he can either make or break Hitler. If the economic crisis is surmounted, or even eased to an appreciable extent, it is likely that Hitler will continue in power. If Dr. Schacht is unsuccessful, however, it may well mean the end of Hitler. He may be forced to give way to a military dictatorship which might revive the monarchy, or Germany may fall into civil war which might bring the country into the hands of the Communists who have been increasing in strength recently.

It may happen, also, that in the event the economic crisis grows more severe, Hitler will be led to embark on some foreign adventure to divert the attention of the people away from internal conditions. A few days ago, in an interview with a representative of the London *Daily Mail*, he declared that "if it rests with Germany war will not come again." But the powers prefer to judge him by his deeds rather than by his words. They know that Germany is rearming in defiance of the Versailles Treaty. There is no doubt that had it not been for German aggressiveness toward Austria, the assassination of Chancellor Dollfuss would not have taken place. They are convinced that had Germany been powerful enough war might easily have developed over the Austrian incident. And they see no reason for thinking that three, four or five years hence, if Germany is in a better position, she will not attempt to expand territorially in conformity to Hitler's often-announced program. The nations of Europe are aware of all this. They draw the ring around Germany tighter and await future developments.

Without Hindenburg

It is in such possible crises that the influence of von Hindenburg would be sorely missed. On a number of occasions in the past he succeeded in moderating the policies of Hitler and averted dangerous events. For example, in May, 1933, when the disarmament conference had reached one of its numerous critical stages, Hitler called the Reichstag together and prepared to make a violent speech on foreign affairs which would doubtless have excited world opinion tremendously. The day before the speech was scheduled, President Roosevelt attempted to head him off by making a sudden, dramatic appeal for peace to the executives of all governments. Hindenburg immediately summoned Hitler and the next day Germany and the world heard a speech which was exceedingly mild in tone.

And in the summer of 1933, a conflict between church and state broke out in Germany which threatened to disrupt the entire nation. Hindenburg warned Hitler and the Nazi campaign against the Protestant churches was moderated. Likewise it was the president's intervention in the purging of June 30 which probably kept Vice Chancellor von Papen from being assassinated, a development which might have precipitated grave trouble in Germany owing to von Papen's popularity.

What will happen when Germany reaches similar difficulties in the future, as she most certainly will? There will be no von Hindenburg to stay the hand of the impetuous chancellor. This is the fear which has found place in the hearts of millions of Germans and foreigners. Hitler has given all signs of remaining conservative, but consistency has never been a virtue of his. The only comfort these people who are uneasy have is that in the Reichswehr and in General von Blomberg, a man of great ability, the absence of a von Hindenburg may be compensated for. The army has lodged itself behind the Nazi movement. It will support Hitler, but it is apparent that Hitler will have to act with due regard for the feelings of the 100,000 well-trained, solid men who compose the only really stable, enduring element in Germany today.



PAUL VON HINDENBURG

© Wide World Photos

since he opposes devaluation of the German currency.

Dr. Schacht is a shrewd, ambitious and ruthless person, however. He has long aspired to the leadership of Germany and now has attained his end, economically, at least. It was he who in 1932 persuaded Thyssen, the industrial magnate, to give Hitler \$875,000 for his cause in the presidential elections of that year. It was he who, in 1923, within a week after his appointment as Reich currency commissioner, stabilized the mark and restored a semblance of order to chaotic German finances. He has made himself indispensable to Hitler, who himself is ignorant of economics and finance, and likewise has made the large industrialists believe that he is the only one who can curb the socialistic tendencies of many members of the Nazi party. Johannes Steel, writing in the June *Current History*, gives this interesting picture of Horace Greeley Hjalmar Schacht:

Schacht is feared and respected, but has no friends. It is well known that he is devoid of party or personal loyalty, that he uses everybody and everything that comes his way—parties, individuals and opportunities—to further his own ambitions. For the last

corruption and decadence of the Socialist and Democratic parties in Germany became evident. Schacht sat back, awaiting the dénouement which he correctly believed to be approaching while German capitalists began to discover that Hitler could be useful to them.

The economic evolution of Germany pointed more and more in the direction of state capitalism. During the Brüning régime this development reached a climax with the use of emergency decrees which amounted to nothing less than governmental control of private enterprise. Capitalism began actively to organize. Industry and finance backed Hitler for all they were worth, while Schacht argued at home and abroad that a united front in Germany was necessary to prevent the rise of Communism or complete socialization. If Hitler rose to power, his extravagance would be checked, Schacht contended, by the more responsible and experienced men in the new government. Schacht obviously meant himself when he talked about the "more responsible and experienced" elements. Since he knew to what length German industry and finance were prepared to go in support of Hitler in his drive for power, he felt sure that he was, as he remarked to me in January, 1932, "backing the right horse on the safe side." For Schacht the rise of Hitler was only an incident in his own career.

The Next Six Months

Dr. Schacht will now have six months in which to improve Germany's economic position. During that time it is probable

The Nation to Vote on the New Deal

(Concluded from page 1, column 4)

discern the direction of public sentiment on political issues, are almost unanimous in predicting a victory for the party now in power. Those who have crossed the country from one end to the other, conversing with local and state political moguls and sounding out people in all walks of life, the voters, claim that the stock of President Roosevelt and his party is still high. Dissatisfaction over certain features of the New Deal, particularly the AAA and the NRA, is known to be deep-seated and

that. At the moment, the issue of public expenditures has been picked up gleefully by administration opponents and an effort is being made to convince the country that the extravagance of the Democrats will eventually lead to calamitous bankruptcy. Chairman Fletcher, since he became Republican tactician and strategist in June, has persistently hammered away on that point. The New Deal has thus far piled up the national debt to levels never before known in our history. Generations yet unborn will be called upon to shoulder this burden, the voters are reminded. Other Republican leaders have elaborated upon the same point in an effort to rebuild their ranks.

Only a few days ago, an ex-chairman of the Republican National Committee, Senator Fess of Ohio, leveled a charge against the Democratic party which has frequently been made of late. He accused the administration of seeking to "buy" votes with funds ladled out as relief. Others, including Chairman Fletcher, have charged that the Agricultural Adjustment Administration is withholding checks to farmers for crop reduction until shortly before the election, so that they may not feel disposed to turn on the hand that has been feeding them. In his denunciation of the Democrats, Senator Fess called attention to "speech after speech by the administration-supported candidate for the Democratic senatorial nomination in Ohio, in which he constantly stressed that Ohio had received \$750,000,000 from the federal treasury under the New Deal." Then, reverting to the original campaign theme, he continued:

This sounds very much to me like an open attempt to purchase votes on the basis of favors received from the federal treasury. But one thing is certain about it; that is that Ohio is one of the seven states that in the end will have to pay the staggering cost of the New Deal, and the people ought to remember that when they hear these glowing stories of federal assistance to the state.

No doubt this issue will damage the Democratic cause in certain quarters. The specter of permanently increasing taxation, possible inflation to meet the debt, with its accompanying evils and dislocations, is a fertile field in which to sow the seeds of fear. Public policies which so vitally affect people's pocketbooks, or which threaten to do so, are bound to meet the stiff opposition of those who will be called upon to foot the New Deal bill. But are those in that position sufficiently numerous to influence the political scales very greatly? Will such an argument bear much

weight with the average run of voters? Those are questions of prime importance, but questions which cannot be conclusively answered at this time.

Beneficiaries

Certainly those who are beneficiaries of the government's generosity—and they number seven and a half million adult Americans, according to a recent survey—will be little influenced by such a line of attack. The 360,000 CCC boys, the hundreds of thousands of PWA workers, the 16,000,000 who are receiving direct relief from the FERA, the farmers who get AAA crop reduction checks from Washington, the additional workers employed to administer the various emergency agencies, as well as their dependents—these, and all the others now on the government payroll, will not be likely to bolt so long as the funds continue to roll in.

There is no doubt that the Democrats will have more difficult sledding now than they would have had if the election had been held a year ago. Several factors, some of them beyond human control, have stiffened the opposition. Despite the millions who are receiving direct financial benefits from the New Deal, there are plenty of disgruntled elements. The NRA experiment, hailed as the foundation upon which the whole recovery program was built, has bogged down perceptibly, and what was mere skepticism a few months ago has now turned into bitter hostility. The drouth, admittedly something over which only the Almighty has control, has tended to make millions question the wisdom of crop destruction. The wave of labor disputes has been unsettling and obstructed the New Deal's progress.

Much of the potential and actual opposition inherent in these developments has been swiftly dealt with by the Democratic campaign committee. The agricultural evangelists, Wallace and Tugwell, have roamed into the heart of the farm country with a word of hope and good cheer. Dr. Tugwell, sent out by the Democratic National Committee, has been almost as skillful in the use of adjectival vituperation against opponents of the New Deal as the illustrious General Johnson. Farley, ever with his ear to the ground, has journeyed far and wide reassuring people and reminding them how well off they are under the New Deal. The Democrats have too much at stake to lie back on their laurels while their opponents stir up contentions and garner votes.

Roosevelt's Return

Perhaps the greatest boon to the Democratic cause in the early stages of the campaign was the dramatic appearance on the scene of President Roosevelt, after more than a month's absence from the country. While not intended as a political tour, the chief executive's trip from Portland to the capital, through the heart of the drouth region, with stops at some of the major PWA projects, and his important discourse at Green Bay, Wisconsin, could not fail to have political consequences. As his special train reached the edge of the drouth area at Havre, Montana, Mr. Roosevelt told the crowd that had gathered around: "This is not a



APPARENTLY NO USE, JOSHUA

—Talburt in Washington News

political campaign." But his presence there and his words of confidence were a heartening sign that his faith in the New Deal had not waned. There, as elsewhere along the route, he promised further action to bring balance and security to our society. Had he not promised in his speech to the nation delivered at Glacier National Park that "We are at the threshold of even more important a battle to save our resources of agriculture and industry



A NEW FACE IN THE LINEUP

—Brown in N. Y. Herald-Tribune

against the selfishness of individuals"? And had he not, before the close of the last session of Congress, outlined a program of social legislation for the future? This ability of the president to spring something new at the opportune moment and continuously to exude optimism and faith in the future undoubtedly does more to keep waverers in line and prevent serious defection than all the campaign bulletins or oratorical efforts of the party.

Tactics

In many respects, the spectacle which the country will witness during the next three months will be a restaging of the numerous biennial contests of the past. Political tactics have not greatly altered since the beginning of the party system. The same denunciation, demagoguery, side-tracking of real issues, and catering to fears and prejudices may be expected to blossom forth in this campaign as they have in the past. But whatever may be the outward manifestations of the struggle, the real issue at stake is fundamentally important. The outcome will be certain to affect the course of our national life for years to come.



LED TO EXPECT TOO MUCH

—Carlisle in Washington Star

widespread in certain regions. But this feeling is not considered sufficiently strong to induce voters to swing over to the other camp and repudiate the entire program. And whatever the people may think of the New Deal as a whole—at least so say the wisecracks—they have confidence in the president and in his ability to pull the country out of the hole. The president is still riding high on a wave of popularity, and that, more than any other factor, will insure victory for his party at the polls.

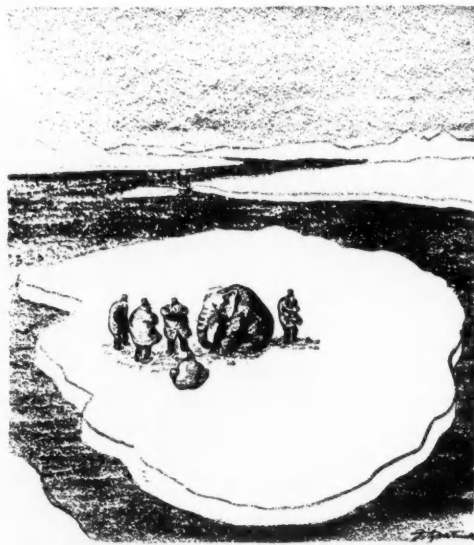
Forecasts

To be sure, it is expected that certain congressional districts, which, though normally Republican, were corralled into the Democratic fold two years ago, will return to their old moorings in November. It is of these states and districts that the Republican National Committee is particularly hopeful and it is upon them that its greatest barrage of oratory and persuasion will be unleashed. Republican leaders privately admit that their chances of recouping their full losses in either house are extremely slim. They are not overconfident of the outcome of the test, but feel they have a better than even chance of holding their own and making certain inroads upon Democratic majorities.

The Democratic machine, steered by Chairman Farley, is as confident of success as it was in 1932, confident not only of keeping the congressional majorities it now has but also of adding to them. It is striving to add six new Democrats to the sixty it already has in the Senate, thus giving it a two-thirds majority in that house. Its guns are being trained on these six Republican senatorial heads, some of them veterans, hoping they will fall on election day as many other theretofore regarded permanent fixtures fell two years ago.

Issues

Unless something unforeseeable at this time should develop within the next few weeks, the whole campaign will be fought on variations of the New Deal theme. Statements emanating from party headquarters, as well as public utterances of stump-speakers, give abundant evidence of



ONE GROUP THAT HAS NOT BEEN TAKEN OFF ITS ICE FLOE YET

—Fitzpatrick in St. Louis Post-Dispatch



The National Capital Week by Week



A Record of the Government in Action



WITH President Roosevelt back from his vacation, the nation's spotlight is again focused on the White House. Other government administrators, who went on their vacations about the same time the president did, are also trekking back to Washington. It is interesting to compare public psychology at the time of their departure with that which prevails upon their return.

It was no secret that the business community in general felt somewhat relieved at the prospect of a let-down of activity in Washington. It was felt that a breathing spell might have a wholesome effect on business. In fact, it is the general belief in Washington that the president requested the bulk of the administrators to take their vacations simultaneously with his in order to witness the effect, if any, on business.

Now that the officials are coming back to the capital, one fact stands out. Their absence failed to have any stimulative effect whatever on business. On the contrary, the decline since June has been more than is seasonally expected. There are more than 16,000,000 people on relief rolls and this number is being constantly added to as the drouth continues its destruction. The American Federation of Labor estimates that 10,000,000 men and women are still jobless in spite of the government's large spending program. William Green, president of the federation, issued the warning a few days ago that unless private industry moved swiftly toward the reemployment of the majority of those now idle, society may be compelled to take over the means of production. In the light of the conservative leanings of the A. F. of L., Mr. Green's statement is significant and worth quoting. He said:

Green's Warning

Private industry has lagged in the task of increasing employment. There is a steady demand for goods. Prices are going up. Profits for private industry are in sight. The banks are bulging with deposits and credits are ample and available to prime the pump of business activity. Why then the delay? Surely industry is not imbued with a feeling of defeat at a time when it can swiftly carry our nation to the beginning of a decided revival.

With our vast resources, our abounding technique, our efficient management and our tremendous home market, surely industry would not sell America short. . . .

Surely our industrialists cannot confess that the problem of unemployment has been licked. If they capitulate, now that the bankers, too, have shown their incapacity, who will keep our industrial machines going? Who will turn out the shoes, clothing and goods required to keep our population alive and comfortable? Our toilers in the mills, stores and places of employment can be depended upon to stick to their tasks if they are permitted access to the machines. But who will direct them if our business men capitulate?

Will it be necessary for society to take over the means of production? Will the government be forced, because of industry's failure, to invite the eager and willing workers to march in to the idle shops and throw the levers of the machines that will again pour out the endless amount of goods our people require? And will the government muster into

service the alert technical and managerial brains that formerly directed the flow of these goods on behalf of the owners of industry? If the owners of industry default in their approach to these problems, abdicate in the presence of this economic crisis, will they not then forfeit their prerogatives and be compelled to stand aside while society itself, for good or evil, makes an attempt to cope with the task?

These are questions which industry must ponder now before it is too late. The crisis is on us. A few months more and the opportunity may be lost to it, perhaps forever. Whatever may come labor will stand on the side of complete utilization of our productive capacities in order that the whole of society may be furnished with essential goods and services.

than last year. This figure may be considerably lessened, however, if the drouth is not soon broken.

Modernization of Homes

As a means of stimulating city employment, the Federal Housing Commission, headed by James A. Moffett, is beginning to function. Mr. Moffett has spent considerable time in setting up his organization, but this is now accomplished. The Commission will make it possible for people desiring to modernize or repair their homes to do so by going to their bank

360,000, which is an all-time peak. Officials say that the men in these camps are each sending from \$22 to \$25 a month to their families in various parts of the country, thus lightening the load on local relief agencies.

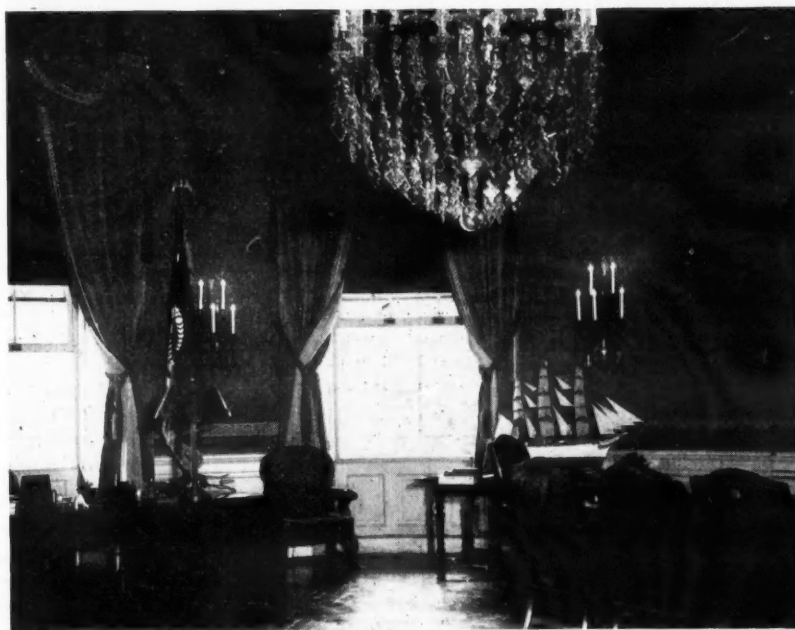
Treasury Department

That Secretary Morgenthau meant business a short time ago when he announced that Treasury aides and employees must disengage themselves from political activity or quit their jobs has since been borne out. A few days ago, he had regulations placed in the hands of every Treasury employee, providing that after September 1 no officer or employee will be permitted: (1) To hold any other public or political office; (2) to become a candidate for a political office; (3) to be a member or officer of any official committee of a political party, or of any other committee that solicits funds for political purposes; (4) to own, edit or manage a political publication; (5) to display such obtrusive partisanship as to cause public scandal; (6) to attempt to manipulate party primaries or conventions; (7) to use his position to bring about his selection as a delegate to conventions; (8) to act as chairman of a political convention; (9) to assume the active conduct of a political campaign; (10) to use his position to interfere with an election or to affect the result thereof; (11) to neglect his public duties.

It will be difficult to find loopholes in these regulations. It appears that henceforth Treasury workers can do little more politically than to belong to a party and to cast a vote on election day. (They cannot even do the latter if they are residents of the District of Columbia.) Secretary Morgenthau's action is being hailed by many as a civil service reform of the utmost importance. He is attempting to minimize politics in a vital branch of government. Postmaster Farley has not expressed his opinion toward the new Treasury ruling, but it is rumored that he doesn't think much of it.

General Johnson's Return

A further emasculating of the NRA accompanied General Johnson's return by plane from the West. The general announced that henceforth employers in fifteen retail trades and services in towns of 2,500 or less population would be exempted from code obligations. These included such businesses as bakeries, food and grocery stores, drug, tobacco, laundry, barber shop and shoe-repair trades. Such employers must continue to abide by the agreements prohibiting child labor and permitting collective bargaining by workers, but they will be freed from rules pertaining to minimum prices for their products and other competitive restrictions. General Johnson believes that his new order will go far toward eliminating complaints from small business firms that the codes are working to their disadvantage.



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TEMPORARY OFFICES FOR PRESIDENT ROOSEVELT
Returning from his vacation the president took offices in the Blue Room while the regular White House offices are being enlarged. His desk is shown at the left.

Although the administration recognizes the gravity of the present state of affairs, it isn't, on the surface at least, unduly alarmed. It knew that there would be a summer slump. And while it could not anticipate the drouth, it feels that it can minimize suffering and hardships in the drouth-stricken areas by extending various forms of relief. It is buying 7,000,000 head of cattle in order to relieve farmers of feeding them; it is hastening checks to farmers who had earlier agreed to reduce their acreage; it is loaning vast sums to farmers through farm credit banks, and it is granting outright relief.

It now seems certain that all agricultural surpluses will be reduced below normal, with the exception of cotton. While a large number of farmers will suffer severe hardships from the drouth, the total farm income, as a result of rising prices and government checks, is expected by some authorities to be a billion dollars more

or to a building and loan association and obtaining the necessary credit to finance the modernization. They can repay this money over a period of from one to five years, at reasonable rates of interest. The Federal Housing Commission guarantees twenty per cent of the repayment of these loans, thus encouraging lending agencies to extend credit. At first, the Commission will restrict its activities to the financing of home modernization, but later it will also attempt to stimulate new home construction. At least until next spring, however, this program is not expected to furnish direct employment to more than half a million people. But it may help to start the industrial ball rolling.

Civilian Conservation Corps

One government agency that is taking into its fold an ever-increasing number of unemployed men is the Civilian Conservation Corps. The enrollment has risen to

Something to Think About

1. What effect would a substantial Republican victory in the November elections have upon the future course of the New Deal?
2. What reasons are there for believing that the federal budget can or cannot be balanced within the next two or three years?
3. From a purely tactical viewpoint, do you think the Republicans have hit upon an effective campaign issue? Why?
4. Give at least six reasons why it is expected, by political observers, that the Democrats will retain a large majority in the next Congress.
5. If you were called upon to give von Hindenburg a place in history, what appraisal would you make of his public career?
6. How has the von Hindenburg death altered the German situation? What significance attaches to the Reichwehr's oath of allegiance to Hitler?
7. If Johannes Steel's appraisal of Hjalmar Schacht is correct, how will his appointment as virtual economic dictator of Germany change the policies of the Nazi government?
8. In the absence of von Hindenburg, what is considered the most steadying influence in the Reich?

9. What is the principal obstacle to a restoration of the Hapsburgs in Austria, in the person of Archduke Otto? What, in your opinion, would be the advantages and the disadvantages of such a course?
10. What significance attaches to the latest statement of William Green, president of the American Federation of Labor?
11. How would you answer the question: "If I had full power to represent the people of the city in which I live and a measure of financial freedom in helping them toward abundant living, what would I do?"
12. Who is Sir Reginald Johnston and what influence has he exerted upon Chinese politics?

REFERENCES: (a) The Republican Opposition. *The Nation*, July 25, 1934, p. 88. (b) Democratic Machine Builders. *Review of Reviews*, August, 1934, pp. 20-23. (c) The Ambitious Dr. Schacht. *Current History*, June, 1934, pp. 285-290. (d) Who Killed the German Republic? *The Nation*, May 10, 1933, pp. 526-528.

PRONUNCIATIONS: Keisuke Okada (ki-soo'kay o-kah'dah-i as in ice), Schuschnigg (soo'shneek), Chiang Kai-shek (chang ki-shek-i as in ice).